REMARKS

To further prosecution of the present application, Applicant has cancelled herein Claims 26 and 50, and has added new independent Claims 59 and 60 to the present application. New Claims 59-63 do not add subject matter to the application and have antecedent basis. In accordance with new independent Claims 59 and 60, dependent Claims 27-49 and Claims 51-53 have been amended herein to depend directly or indirectly from new Claims 59 and 60, respectively. In addition, Applicant has added new Claims 61-63 to the present application.

Claims 27-63 are pending in the present application with Claims 59-61 in independent form. Applicant respectfully requests reconsideration.

Rejection of Claims 32 and 34 Pursuant to 35 U.S.C. § 112

The Examiner has rejected Claims 32 and 34 under 35 U.S.C. § 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter Applicant regards as the invention. Claim 32 has been amended herein to delete "the person's health", which the Examiner has identified as lacking antecedent basis, and to insert therein "the health of one of said one or more persons." In addition, Claim 34 has been amended herein to delete "a number" and to insert therein "the total number." Applicant respectfully submits amended Claims 32 and 34 distinctly claim the subject matter Applicant regards as the invention and respectfully requests withdrawal of the rejection pursuant to § 112, second paragraph.

Rejection of Claims 26-49 Pursuant to 35 U.S.C. § 101

In the Office Action of September 8, 2005, the Examiner rejected Claims 26-49 because the inventions recited in the Claims are directed to nonstatutory subject matter. The Examiner indicated that although the recited processes of the Claims produce a useful, concrete and tangible result, each claimed invention, as a whole, is not within the technological arts and therefore deemed to be directed to non-statutory subject matter.

The foregoing amendment has cancelled herein Claims 26 and 50 and has added herein new independent Claims 59 and 60. Applicant respectfully submits Claims 59 and 60 are directed to statutory subject matter under 35 U.S.C. § 101, and provide a practical

application in the technological arts. Applicant respectfully requests reconsideration and withdrawal of the rejection pursuant to 35 U.S.C. § 101 in light of the foregoing amendments and the discussion given below.

The inventions claimed in new independent Claims 59 and 60 provide practical applications in the technological arts, including a computer-implemented method and an insurance system comprising at least one computer communicatively connected to a network. Each of Claims 59 and 60 provide one or more persons with additional insurance as a secondary insurance policy provided by a secondary insurer based upon an underwriting evaluation a select primary insurer uses to determine the eligibility of the one or more persons for a primary insurance policy.

However, Applicant respectfully submits that the requirement the claimed method and system must provide a practical application in the technological arts, or each invention, as a whole, must be within the technological arts, is not a requirement under U.S. patent law. As the Examiner knows, 35 U.S.C. § 101 states:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefore, subject to the conditions and requirements of this title.

The Federal Circuit states in it's decision in *State Street Bank & Trust Co. v. Signature Financial Group*, 149 F.3d 1368, 1372 (Fed Cir. 1998):

> The plain and unambiguous meaning of § 101 is that any invention falling within one of the four stated categories of statutory subject matter may be patented, provided it meets the other requirements for patentability set forth in title 35, i.e., those found in §§ 102, 103 and 112, second paragraph. The repetitive use of the expansive term "any" in § 101 shows Congress's intent not to place any restrictions on the subject matter for which a patent may be obtained beyond those specifically recited in § 101. Indeed, the Supreme Court has acknowledged that Congress intended § 101 to extend to "anything under the sun that is made by man." *Diamond v. Chakrabarty*, 447 U.S. 303, 309 (1980); *see also*, *Diamond v. Diehr*, 450 U.S. 175, 182 (1981). Thus, it is improper to read limitations into § 101 on the subject matter that may be patented where the legislative history indicates that Congress clearly did not intend such limitations. *See, Chakrabarty*, 447 U.S. at 308 ("We have also cautioned that courts should not read into the patent laws limitations and conditions which the legislature has not express . . ."
> [A]fter *Diehr* and *Alappat*, the mere fact that a claimed invention involves inputting numbers, calculating numbers, outputting numbers, and storing numbers, in and of itself, would not render it nonstatutory subject matter.

Alappat, 33 F.3d at 1544, 31 USPQ2d at 1557.

The *State Street Bank* decision involved subject matter that was directed to the problems of administering a group of mutual funds. The patent at issue in *State Street* included a method claim (claim 1) that produces a useful, concrete and tangible result. *State Street* confirmed that even if a useful, concrete and tangible result is expressed in numbers, such as price, profit, percentage, cost, or loss, such a result renders the claimed method statutory subject matter.

Applicant respectfully submits the inventions of independent Claims 59 and 60 each produce a useful, concrete and tangible result, as the Examiner has indicated in the Action. Specifically, Claim 59 provides a computer-implemented method for providing additional insurance for one or more persons as a secondary insurance policy provided by a secondary insurer based on an underwriting evaluation a select primary insurer uses to determine the eligibility of said one or more persons for a primary insurance policy. Claim 60 is directed to an insurance system that recites similar limitations as those of Claim 59 although Claim 60 is a system embodiment of the method of Claim 59 that comprises at least one broker computer operatively connected to a network.

Although method Claim 59 comprises a computer, and system Claim 60 comprises at least one broker computer operatively connected to a network, inclusion of a computer and a networked broker computer into Claims 59 and 60, respectively, is not a requirement for each Claim to recite statutory subject matter.

In addition to the *State Street Bank* decision, MPEP 706.03(a) gives examples of subject matter that are not patentable under 35 U.S.C. § 101, including printed matter, a naturally occurring article, and a scientific principle. Neither the computer-implemented method of Claim 59 nor the insurance system of Claim 60 is covered by these examples and therefore constitutes patentable subject matter.

Furthermore, the decision of The Board of Patent Appeals and Interferences in *Ex parte Carl A. Lundgren*, Appeal No. 2003-2088, heard April 20, 2004, confirmed that there is currently no judicially recognized separate "technological arts" test to determine patent eligibility of subject matter in accordance with 35 U.S.C. § 101.

Therefore, Applicant respectfully submits that the Examiner's rejection of Claims 26-54 as being non-statutory subject matter pursuant to § 101 cannot be maintained, and will not be sustained by the Board in view of the Board's decision in *Lundgren.*

In light of the foregoing discussion, Applicant respectfully requests withdrawal of the rejection of Claims 26-54 as being directed to non-statutory subject matter pursuant to § 101. Applicant further submits that new independent Claims 59 and 60 provided herein by amendment are directed to statutory subject matter.

Rejection of Claims 26-28, 36 and 50 Pursuant to 35 U.S.C. § 102(e)

Claims 26-28, 36 and 50 have been rejected as being anticipated by U.S. 6,163,770 issued to Gamble et al. (hereinafter "Gamble"). Independent Claims 26 and 50 have been cancelled herein. New independent Claims 59 and 60 have been added herein that replace Claims 26 and 50. Applicant respectfully submits new independent Claims 59 and 60 are not anticipated by Gamble pursuant to 35 U.S.C. § 102(e) for the reasons given below.

New independent Claim 59 is directed to a computer-implemented method for providing additional insurance for one or more persons as a secondary insurance policy provided by a secondary insurer based on an underwriting evaluation a select primary insurer uses to determine the eligibility of said one or more persons for a primary insurance policy. The method comprises providing a computer configured for receiving input data and for processing and converting said input data into output data to define said secondary insurance policy. Said secondary insurance policy is independent in effect from and without affect to said primary insurance policy and any benefits of said primary life insurance policy. The method further comprises receiving, as part of said input data, one or more underwriting standards said select primary insurer uses in said underwriting evaluation to determine the eligibility of said one or more persons for said primary insurance policy. Processing and converting said input data into said output data includes determining whether said one or more underwriting standards meets one or more criteria said secondary insurer applies to select a primary insurer from a plurality of primary insurers and to determine if said secondary insurer can rely upon said underwriting evaluation of said select primary insurer to determine the eligibility of said

one or more persons for said secondary insurance policy. The method further comprises receiving, as part of said input data, information identifying said one or more persons and at least one secondary benefit amount of said secondary insurance policy. Processing and converting said input data into said output data includes determining eligibility of said one or more persons for said secondary insurance policy based on said one or more underwriting standards and said secondary benefit amount, if said one or more underwriting standards meets said one or more criteria of said secondary insurer. The method also comprises generating, as part of said output data, an indication of acceptance of said one or more persons for said secondary insurance policy; and using said output data to define said secondary insurance policy, said secondary insurance policy creating an obligation of said secondary insurer to pay said secondary benefit amount independent of said primary insurance policy and any benefits of said primary insurance policy.

Gamble discloses a digital electrical computer apparatus and method for calculating a financial attribute, such as a premium or claims cost, of a first insurance policy for a first risk that is affected by the presence of a concurrent second insurance policy for a second risk, especially where the insured risks are different but the benefits of one policy reduce a claims cost of the other policy. (col. 7, lines 56-62). More particularly, the computer apparatus and method of Gamble calculates and applies a reduction in claims cost of a first policy that is attributable to the presence of a concurrent second policy whose benefits reduce the claims cost of the first policy. "Claims cost" or "claims costs" is defined in Gamble as "monies paid to claimants in accordance with an insurance arrangement." (col. 13, lines 4-6).

In one example, Gamble describes a reduction in claims costs with respect to a health insurance policy that pays benefits for wellness services, such as physical exams and mammographies. Gamble infers that an insurer providing the health insurance policy will experience a reduction in claims cost of providing a second insurance policy, such as a life insurance policy, because those people that tend to use wellness services will live longer and have lower mortality rates and thereby reduce the insurer's claims cost for providing the life insurance policy to the same people. In other words, the claims cost of the life insurance policy, or the monies paid to claimants such as beneficiaries, will be

reduced or affected by the presence of the concurrent health insurance policy and the tendency of people having such health insurance to use wellness services. (col. 8, lines 1-16).

In another example, Gamble describes a reduction in claims cost of a medical insurance policy that provides coverage for hospitalization and only incidental and/or fixed benefits for home health care. In this case, the incidental and/or fixed benefits for home health care can be inadequate to pay for required recuperative care in a patient's home following hospitalization. As a result, the patient would likely be kept in the hospital during recuperation or receive recuperative care in a nursing home rather than in the patient's home because hospital and nursing home recuperative care are less expensive than home care. However, if the patient were also insured under a second insurance policy that provided home health care benefits and thereby sufficient funds for such home recuperative care, Gamble infers that such benefits of the second home health care policy would reduce the average stay in a hospital and thereby reduce the insurance company's claims cost for providing medical insurance coverage for hospitalization under the first medical insurance policy. (col. 8, lines 17-39).

In both examples, the presence of one policy affects the claims cost of another policy. The Gamble apparatus and method are directed to computing a first value of the claims cost for the first insurance policy that is affected by a second different insurance policy; and to computing a second value that represents the extent to which the claims cost for the first policy is affected by the second policy. (col. 9, lines 33-50; col. 11, lines 8-58).

However, the apparatus and method of Gamble are different from the computer-implemented method of Claim 59, which is directed to a computer-implemented method for providing additional insurance as a secondary insurance policy based on the underwriting evaluation performed for a primary insurance policy for a primary insurance policy. In contrast to Claim 59, Gamble does not rely on the underwriting evaluation of one policy to write another policy, but rather determines the claims cost of one policy that is affected by at least a second concurrent policy. In other words, the apparatus and method of Gamble calculate how first claim coverage of one policy can influence the

likelihood or extent of a subsequent claim of another different policy. (col. 9, lines 33-45).

(Applicant respectfully submits the invention is directed to providing additional insurance as a secondary insurance policy without a secondary insurer performing an underwriting evaluation of the one or more persons for whom the secondary policy covers; rather, the secondary insurer accepts the underwriting evaluation another or first insurer performs to provide the one or more persons with a primary insurance policy.)

More particularly, the apparatus and method of Gamble are not configured for at least: *receiving . . . one or more underwriting standards said select primary insurer uses in said underwriting evaluation to determine eligibility of said one or more persons for said primary insurance policy* and *determining whether said one or more underwriting standards meets one or more criteria said secondary insurer applies . . . to determine if said secondary insurer can rely upon said underwriting evaluation of said primary insurer to determine the eligibility of said one or more persons for said secondary insurance policy*. In other words, the secondary insurer determines whether the one or more underwriting standards of the primary insurer's underwriting evaluation meet one or more criteria the secondary insurer applies to determine whether it may rely upon the underwriting evaluation of the primary insurer for a primary insurance policy to provide a secondary insurance policy. The secondary insurer, in this case, does not perform the underwriting evaluation, but applies one or more underwriting standards the primary insurer uses to select the primary insurer and to determine if it may rely on such evaluation. Gamble does not provide any disclosure of one insurer using underwriting standards of another insurer to determine whether the one insurer may rely upon the another insurer's underwriting evaluation for a first insurance policy to determine eligibility of the same one or more persons for a second insurance policy.

In addition, the system and method of Gamble are not configured for: *determining the eligibility of said one or more persons for said secondary insurance policy based on said one or more underwriting standards and said secondary benefit amount, if said one or more underwriting standards of said primary insurer meets said one or more criteria of said secondary insurer.* In other words, the second insurer determines the eligibility of the one or more persons if the underwriting standards of the primary insurer meet the

criteria of the second insurer. Gamble does not provide any disclosure indicating this relationship between the first and the second policies, or any disclosure indicating that one insurer may determine the eligibility of one or more persons for an insurance policy based on one or more underwriting standards of another insurer if such standards meet the one insurer's criteria.

Furthermore, the system and method of Gamble are not configured for: *generating output data . . . and using said output data to define said secondary insurance policy . . . creating an obligation of said secondary insurer to pay said secondary benefit amount independent of said primary insurance policy and any benefits of said primary insurance policy*, and *said secondary insurance policy being independent in effect from and without affect to said primary insurance policy* . . . Gamble therefore is in direct contrast to Claim 59 and discloses an apparatus and method that determine the affect of first claim coverage of a first (second) policy on the likelihood or extent of a subsequent claim of a second (first) policy. In further contrast, Gamble does not disclose a second insurance policy, based on the underwriting evaluation performed for a first insurance policy, that is independent in effect from and without affect to a primary insurance policy, and creates an obligation of a secondary insurer to pay a secondary benefit amount independent from the primary insurance policy and any benefits of the primary insurance policy.

Applicant respectfully submits that Claim 59 discloses a computer-implemented method for providing a secondary insurance policy that is patentably distinguishable from the apparatus and method of Gamble for calculating a first claims cost value of a first policy that is affected by a second policy.

Thus, Applicant respectfully submits that Claim 59 is allowable.

Claims 27-28 and 36 depend from Claim 59 and are patentable for at least the reasons given above. The rejection of Claims 27-28 and 36 therefore should be withdrawn.

New independent Claim 60 is the system embodiment of the computer-implemented method recited in Claim 59 and includes similar limitations. Claim 60 is directed to an insurance system for providing additional insurance for one or more persons as a secondary insurance policy provided by a secondary insurer based on an underwriting evaluation a select primary insurer uses to determine the eligibility of said one or more persons for a primary insurance policy. The insurance system comprises at least one broker computer communicatively connected to a network. The broker computer comprises a first input device operatively connected to the broker computer for receiving input data and a second input device operatively connected to the network and to the broker computer for receiving input data via the network from at least one customer computer. The broker computer further comprises an output device operatively connected to the broker computer for generating output data. The broker computer is programmed to receive, as part of said input data, (i) one or more underwriting standards said select primary insurer uses in said underwriting evaluation to determine eligibility of said one or more persons for said primary insurance policy, (ii) information identifying said one or more persons and (iii) at least one secondary benefit amount of said secondary insurance policy. The broker computer is programmed to determine whether said one or more underwriting standards meets one or more criteria said secondary insurer applies to determine if said secondary insurer may rely upon said underwriting evaluation of evaluation of said primary insurer to determine the eligibility of said one or more persons for said secondary insurance policy. The broker computer is further programmed to process said input data to determine the eligibility of said one or more persons for said secondary life insurance based on said one or more underwriting standards and said secondary benefit amount, if said one or more underwriting standards meets said one or more criteria of said second insurer. Further, the broker computer is programmed to generate, as part of said output data, an indication of acceptance of said one or more persons for said secondary insurance policy, and to generate output data defining said secondary insurance policy.

Applicant respectfully submits that the discussion given above with respect to Claim 59 and Gamble is applicable to Claim 60. More particularly, Applicant respectfully submits that the apparatus and method of Gamble are not configured at least

for: *said broker computer being programmed to determine whether said one or more underwriting standards* [said primary insurer uses in said underwriting evaluation for said primary policy] *meets one or more criteria said secondary insurer applies to determine if said secondary insurer may rely upon said underwriting evaluation of said primary insurer to determine the eligibility of said one or more persons for said secondary insurance policy*; and *said broker computer being further programmed to process said input data to determine the eligibility of said one or more persons for said secondary life insurance based on said one or more underwriting standards and said secondary benefit amount, if said one or more underwriting standards meets said one or more criteria of said second insurer*. In other words, Gamble does not provide a disclosure of a networked broker computer programmed to determine whether one or more underwriting standards a primary insurer uses in an underwriting evaluation to determine the eligibility of one or more persons for a primary insurance policy meets one or more criteria a secondary insurer applies to determine whether it may rely upon the underwriting evaluation the primary insurer to determine the eligibility of the one or more persons for a secondary insurance policy.

Thus, Applicant respectfully submits that Claim 60 is patentably distinguishable from Gamble and is in condition for allowance.

Claims 51-54 depend from Claim 60 and are patentable for at least the reasons given above.

Rejection of Claims 29-35, 37-42, 43, 44-47, 48-49 and 51-54
Pursuant to 35 U.S.C. § 103(a)

Claims 29-35 and 43 have been rejected pursuant to 35 U.S.C. § 103(a) as being unpatentable over Gamble. Claims 37-42, 44-47 and 51-54 have been rejected pursuant to 35 U.S.C. § 103(a) as being unpatentable over Gamble in view of U.S. 5,673,402 to Ryan et al. (hereinafter "Ryan"). Claims 51-54 have been rejected pursuant to 35 U.S.C. § 103(a) as being unpatentable over Gamble in view of U.S. 5,845,256 to Pescitelli et al. (hereinafter "Pescitelli").

Without acceding to the position the Examiner has taken with respect to Claims 29-35 and 43 being unpatentable over Gamble, Applicant respectfully submits that

Claims 29-35 and Claim 43 depend from new independent Claim 59 and are patentable for at least the reasons given above with respect to Claim 59.

In addition, without acceding to the position the Examiner has taken with respect to Claims 37-42, 44-47 and 51-54 being unpatentable over Gamble in view of Ryan, Applicant respectfully submits that Claims 37-42 and 44-47 depend from new independent Claim 59 and Claims 51-54 depend from new Claim 60, and such Claims are patentable for at least the reasons given above with respect to Claim 59 and Claim 60, respectively.

Further, without acceding to the position the Examiner has taken with respect to Claims 48-49 being unpatentable over Gamble in view of Pescitelli, Applicant respectfully submits that Claims 48-49 depend from new Claim 59 and are patentable for at least the reasons given above with respect to Claim 59.

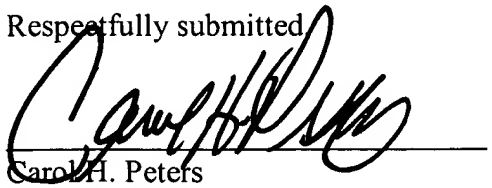
Therefore, Applicant respectfully requests withdrawal of the rejections of Claims 29-35, 37-42, 43, 44-47, 48-49 and 51-54 pursuant to 35 U.S.C. § 103(a)

Patentability of New Claims 61-63

Applicant respectfully submits that new independent Claim 61 is patentable in view of the discussion given above with respect to 35 U.S.C. § 101 regarding statutory subject matter, and is patentably distinguishable over the cited prior art references, alone or in the cited combinations. Claims 62-63 depend from Claim 61 and are patentable for at least the same reasons.

Based on the foregoing discussions and amendments, the present application is in condition for allowance, and an action to this effect is respectfully requested. Should the Examiner have any questions concerning this response, the Examiner is invited to telephone the undersigned.

Respectfully submitted,



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